Hoe kan de Belgische eventsector gered worden?
Comment sauver le secteur de l'événémentiel belge?

Press Briefing

Alliance Belgian Events Federations & Confederation Events

11 September 2020

Content

1 Context – *Bruno Schaubroeck*

2 Market size – *Sam Sluismans*

3 Cash deficit estimate - *Sam Sluismans*

4 International response - *Sam Sluismans*

5 Conclusion - *Frédéric François*

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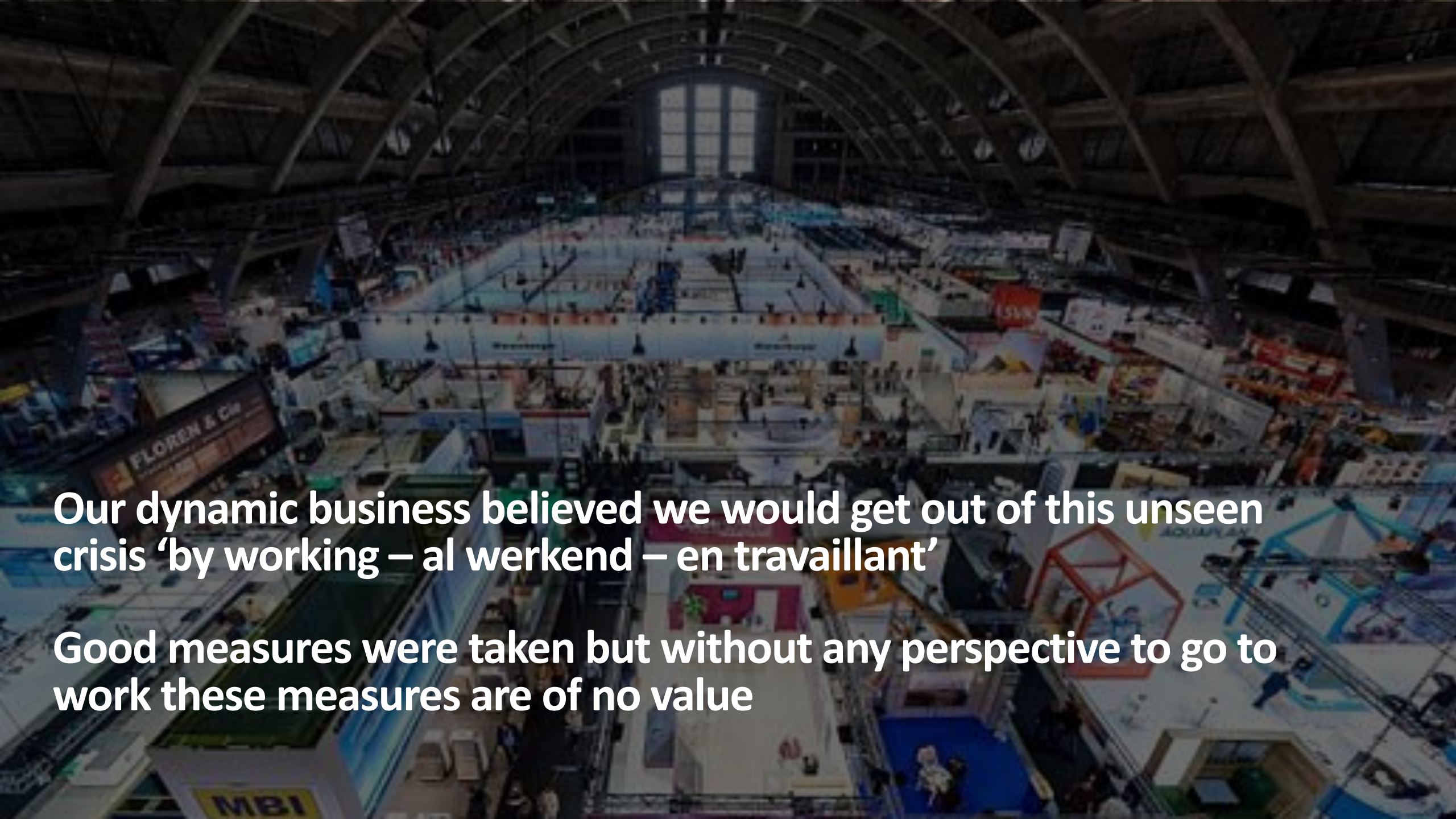
1 | Context

Today is 9/11.....2020

March 13th 2020 the Belgian event industry came to a complete stand-still due to covid-19 hitting society

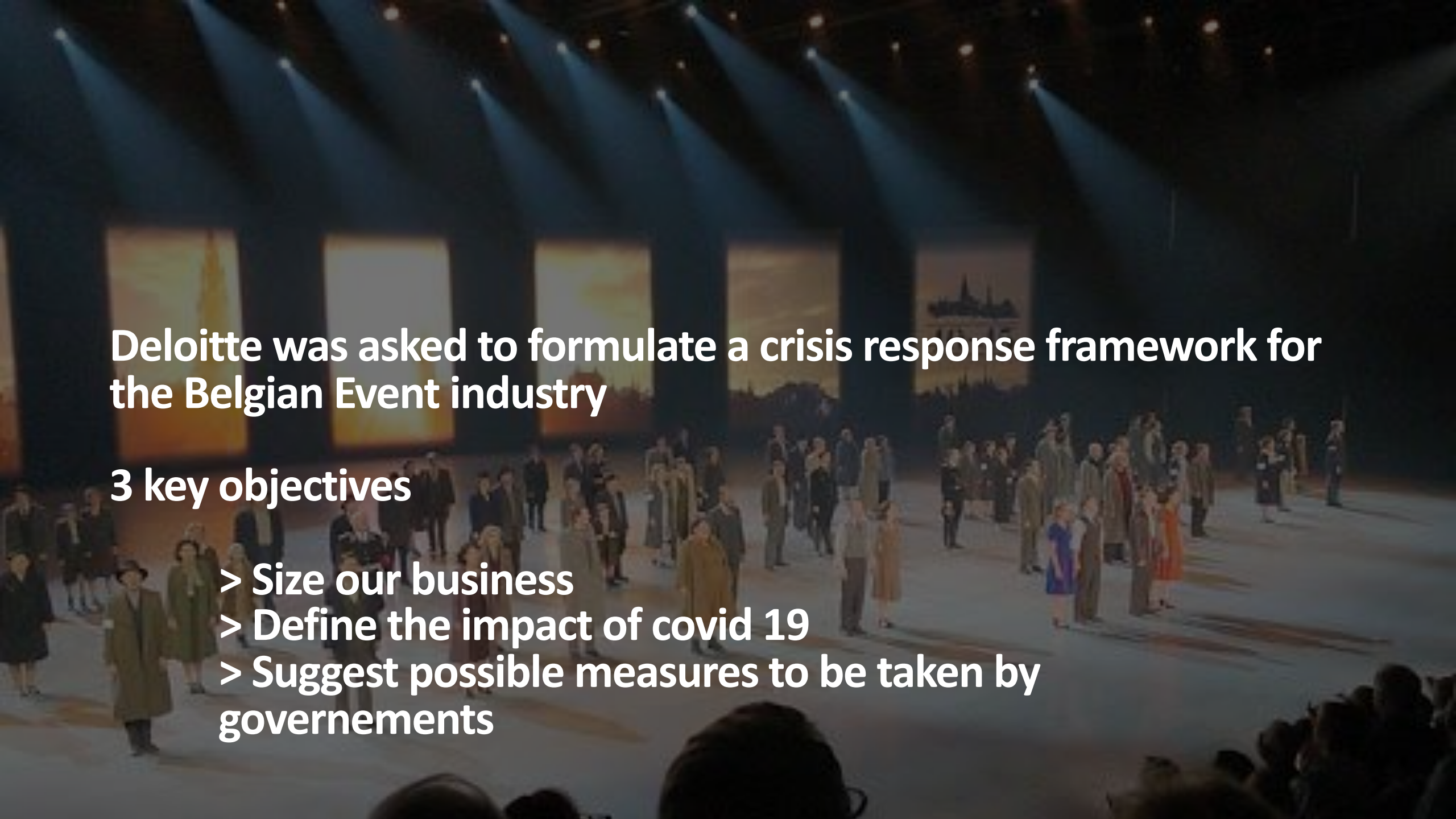
Today we are 180 days into a complete standstill of our industry….and counting
Events are banned from society
Events are missed by society



Our dynamic business believed we would get out of this unseen crisis ‘by working – al werkend – en travaillant’

Good measures were taken but without any perspective to go to work these measures are of no value

Our Belgian event industry
has numerous international companies
We are widely respected
our men and women are very talented
and highly motivated
We are involved in prestigious global projects



Deloitte was asked to formulate a crisis response framework for the Belgian Event industry

3 key objectives

> Size our business
> Define the impact of covid 19
> Suggest possible measures to be taken by governements

2 | Market size

Key arguments

The Belgian event sector is in need of additional support measures because of…

(1) The **uncertainty of timing** and full relaunch of activities, next to the ripple effect of **seasonality,** inherent to the event sector.

(2) The **high overhead costs** the event sector is currently coping with during a very long time of non-activity, at least until mid 2021

(3) The **large social and economic contribution to the state's welfare** coming from the event sector

(4) The **potential loss of local talent**, due to temporary unemployment, dismissal or relocation to other countries

(5) The complexity and **uniqueness of the network** within and behind event organizations

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Approach overview

Collected input (VAT numbers) from federations have been consolidated, cleaned and processed to build the foundation of the study: the market baseline

1. DATA COLLECTION

- Collect **VAT numbers** of companies in event sector through (1) federations (members) and (2) other stakeholders in the event sector
- **Define** different **subsectors** and collect key characteristics per subsector through federations
- Collect **other studies** to put the results in perspective

- **6 328** VAT numbers

2. DATA CLEANING

- **Consolidate VAT numbers** of all members and non-members (other key players) from different federations / event companies
- **Clean** the list: remove duplicates and companies
- **Collect financial data** on BELFIRST
- **Aggregate** those **data** at sector level

- **4 035 unique** VAT numbers

3. MARKET SCOPING

3.1 Scope

- **Build assumptions** on final baseline on which companies must be excluded *(e.g. inactive companies, inadequate legal form, negative added value)*

3.2 Extrapolation

- **Calculate multiplicators** at sector level *(e.g. average net added value / average declared turnover)*
- **Apply multiplicators to** missing data points at subsector level
- **Aggregate all estimations** to overall sector *(turnover, headcount, overhead costs, employee costs, taxes, P/L)*

- **2 274 unique** VAT numbers **in scope**

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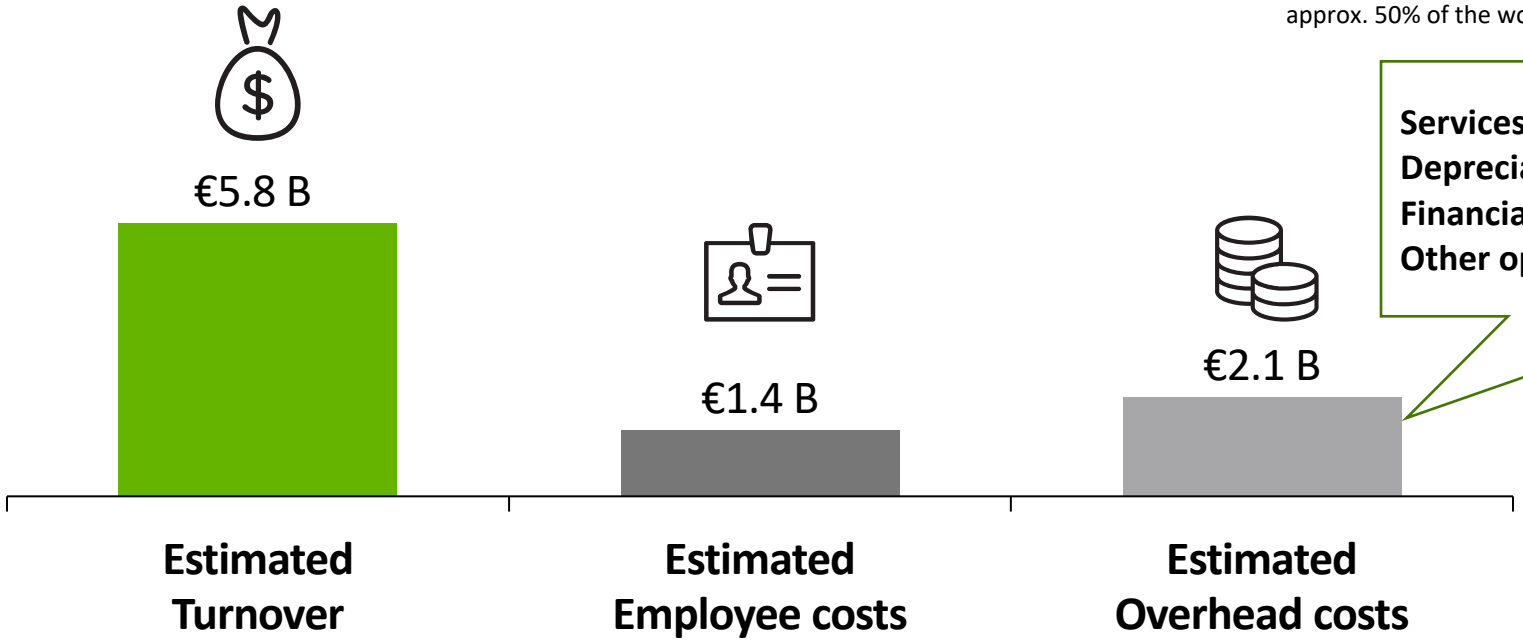
Market size

Number of **companies**:
2 274

Number of **FTEs** on payroll*:
29 020

*Excluding freelancers, interim workers, student –and flexijobs that represent approx. 50% of the workforce in the sector



Services & other goods: € 1 510 M *(72%)*
Depreciation: € 357 M *(17%)*
Financial charges: € 123 M *(6%)*
Other operating charges: € 98 M *(5%)*

Sources: Federation input of Febelux, ACC, BESA; Belfirst; Deloitte analysis

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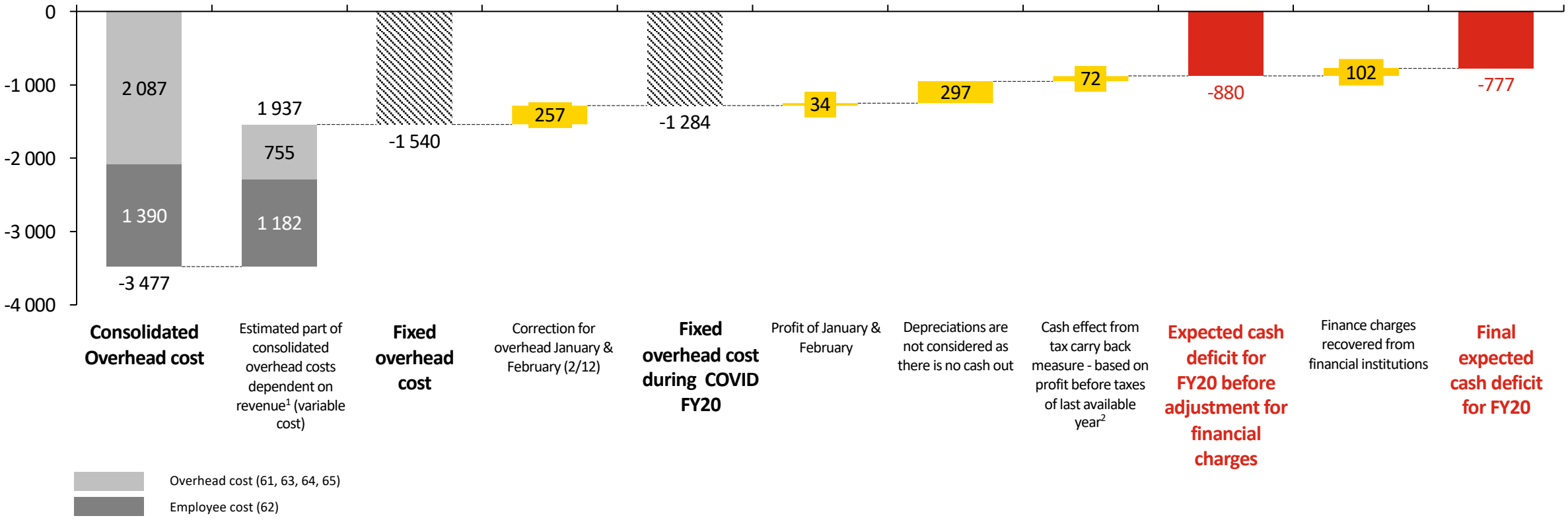
3 | Cash deficit estimate

Cash deficit calculation - Belgium

The expected cash deficit has been calculated based on the market baseline, considering (i) the cash impact of the tax carry back measure and (ii) the potential cash impact of an easing agreement with FEBELFIN regarding financial charges

Data sample [M EUR] – 2274 companies, last data available in Belfirst



Sources: Federation input of Febelux, ACC, BESA; Belfirst; Deloitte analysis

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4 | International response

International response

Our neighbouring countries have taken action to support the event sector, resulting in competitive disadvantage for the Belgian event sector as well as a potential massive brain drain

Some examples of steps taken by neighbouring countries:

1 FR

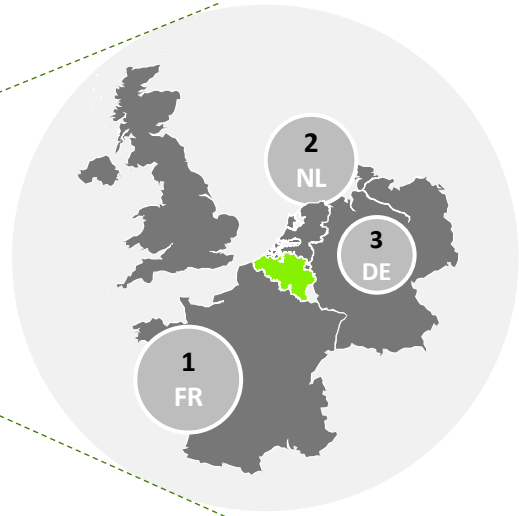
- Gatherings are allowed up to **5 000 persons**
- **220 M EUR** dedicated to **the live sector**

2 NL

- Compensation **for fixed charges until June 2021**
- Additional financial support package of **482 M** EUR for cultural sector

3 DE

- Compensation up to **80% of fixed operating charges with a max of 150K per company** for the period of June to August 2020



Implications for Belgian event sector:

- Competitive disadvantage
- Brain drain

Sources: Bundes Finanz Ministerium, France Inter, IQ Mag, Rijksoverheid, RVO

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5 | Conclusion

Expectations towards the governments:

- Financial support of € 777M to cover the fixed costs till 31/12/2020
- A solution with the banks for € 102M financial charges
- Cover the remaining cost for personnel in temporary unemployment (and extend) so we can avoid a bigger talent-drain
- Stay in line with the measurements & possibilities with European countries to empower our international position

Special thanks to

Golazo Group
Live Nation
WEAREONE.world
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FBPM
FMiV de Federatie van Muziekfestivals in Vlaanderen
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BESA BELGIAN EVENT SUPPLIER ASSOCIATION
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Q&A

Practical info:

We will respond to your questions respecting the social distancing measures